Subsidies for bridging economic disparities

2409. SHRI JAI PRAKASH NARAYAN SINGH: Will the PRIME MINISTER be pleased to state:

(a) the quantum of money spent during the last three years as subsidies in food, fertilizer and petroleum to bridge economic disparities;

(b) whether Government has conducted any study to find out whether the subsidies are actually reaching the poor people;

(c) if so, the details thereof and the action taken thereon; and

(d) the steps taken to create jobs in tribal and rural areas to bridge inter-regional imbalances and economic disparities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The quantum of money spent during the last three years as subsidies on food, fertilizer and petroleum is given below.

Explicit subsidies of the Central Government

(Rupees crore)

	2005-06	2006-07	2007-08 (Provisional Actuals)
Food Subsidy	23077	24014	31328
Fertiliser subsidy	18460	26222	32490
Petroleum subsidy	2683	2699	2820

Source : 1. Expenditure Budget Volume I.

2. Controller General of Accounts, Ministry of Finance.

(b) and (c) A study by Programme Evaluation Organisation (PEO) of the Planning Commission regarding Targeted Public Distribution System (TPDS) which covered 18 States reveals that though the offtake per household has shown improvement under TPDS, yet only about 57 per cent of the BPL households are covered by it. Further the report finds that only about 42 per cent of the subsidized grains issued by the Central Pool reaches the target groups. Based on evaluation studies and feedback received from States, a nine point action plan has been jointly formulated by the Central and the State/UT Governments, in 2006-07, to strengthen the Targeted Public Distribution System (TPDS). These include regular reviews of the BPL and Antyodaya Ann Yojana (AAY) lists to ensure coverage of eligible families, involvement of Panchyati Raj Institutions in the public distribution system (PDS) operations, use of information technology, creating awareness among public about PDS operations, etc.

(d) The following are the major steps taken to create jobs in tribal and rural areas to bridge inter-regional imbalances and economic disparities:

- The National Rural Employment Guarantee Scheme guarantees wage employment of 100 days, in a financial year, to each household whose adult member volunteer to do unskilled work. The scheme has proved an important measure of empowerment of Scheduled Castes and Scheduled Tribes. It has been extended to all 596 rural districts in the Union Budget 2008-09.

- Financial support to Scheduled Tribe beneficiaries/entrepreneurs in the form of term loans and micro credit at concessional rate of interest for income generating activities.

- Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED) is engaged in marketing development of tribal products and their retail marketing through its sale outlets.

Complaints of credit card holders

2410. SHRIMATI SHOBHANA BHARTIA: Will the PRIME MINISTER be pleased to state:

(a) whether Government or Reserve Bank of India (RBI) have received complaints from credit card holders that banks are overcharging interest from them;

(b) if so, the details thereof;

(c) whether the RBI has directed banks to follow the circular issued to them on 7 May, 2007 and prescribe a ceiling rate of interest including processing and other charges;

(d) if so, whether the banks are not following the directives of the RBI and found overcharging interest from the credit card customers; and

(e) if so, the steps Government proposes to take in this regard to ensure that customers are not harassed by banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) The revised Banking Ombudsman Scheme, 2006 empowers the offices of Banking Ombudsman to receive and resolve the complaints in respect of credit/debit cards. However, the existing Management Information System of RBI does not bifurcate the complaints relating to credit card operations further into categories such as overcharging interest etc.

RBI issued a Circular dated 7th May, 2007 on 'Complaints about excessive interest charged by banks' advising all commercial banks to put in place appropriate internal principles and procedures so that usurious interest, including processing and other charges are not levied by them on loans and advances. Further, the banks have been advised that while laying down such principles and procedures in respect of small value loans, particularly personal loans and such other loans of similar nature, banks should keep in view the broad guiding principles enumerated